

## Message Text

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PAGE 01 STATE 196815  
ORIGIN EB-08

INFO OCT-01 SIG-03 MMO-01 AF-10 ARA-10 EA-10 EUR-12  
NEA-10 IO-13 H-01 NSCE-00 GSA-02 COME-00 INT-05  
STR-07 TRSE-00 OMB-01 L-03 ITC-01 DODE-00 CIAE-00  
INR-10 NSAE-00 PA-01 PM-05 SP-02 SS-15 SSO-00  
INRE-00 ISO-00 /131 R

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FM SECSTATE WASHDC  
TO ALL DIPLOMATIC POSTS IMMEDIATE

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E.O. 11652: N/A

TAGS: ECON

SUBJECT: STOCKPILE LEGISLATION

1. BEGIN UNCLASSIFIED. SENATOR GARY HART, CHAIRMAN OF THE ARMED SERVICES SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILES, ANNOUNCED AUGUST 3 THAT SENATE ACTION ON PENDING STOCKPILE LEGISLATION IS BEING DEFERRED INDEFINITELY. THE LEGISLATION AFFECTED BY THE DEFERRAL IS A STOCKPILE POLICY BILL (H.R. 4895), WHICH REWRITES THE CURRENT STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT TO PROVIDE INTER ALIA FOR A STOCKPILE REVOLVING FUND, AND A STOCKPILE TRANSACTIONS BILL (S.2635), WHICH PROVIDES NEW AUTHORIZATION FOR STOCK-PILE ACQUISITIONS AND DISPOSALS, INCLUDING THE DISPOSAL OF 35,000 LONG TONS OF TIN. INCORPORATED INTO THE TRANSACTIONS BILL WHICH THE COMMITTEE HAD REPORTED OUT WAS AN ADDITIONAL 5,000 TONS OF TIN WHICH, ACCORDING TO THE COMMITTEE REPORT, COULD BE USED FOR THE U.S. CONTRIBUTION TO THE BUFFER STOCK  
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PAGE 02 STATE 196815

OF THE INTERNATIONAL TIN COUNCIL.

2. THE TEXT OF THE PRESS RELEASE FOLLOWS: QUOTE.  
WASHINGTON--SENATOR GARY HART, D-COLO., CHAIRMAN OF THE SENATE ARMED SERVICES SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILES AND FLOOR MANAGER OF THE PENDING STRATEGIC STOCKPILE BILLS, ANNOUNCED TODAY THAT HE IS BEGIN QUOTE

DEFERRING INDEFINITELY END QUOTE ANY ACTION ON EITHER OF  
THE PENDING MEASURES.

THE SENATE CURRENTLY HAS TWO STOCKPILE BILLS PENDING--  
H.R. 4895, PERTAINING TO STOCKPILE POLICY REFORM AND  
S.2635, PERTAINING TO THE BUYING AND SELLING OF STOCKPILE  
COMMODITIES. BOTH WERE REPORTED BY THE SENATE ARMED  
SERVICES COMMITTEE.

HART SAID THAT HE WOULD FIGHT ALL EFFORTS BY SPECIAL  
INTEREST GROUPS, INCLUDING THE AMERICAN MINING CONGRESS,  
TO ADD COMMODITY AMENDMENTS TO THE POLICY BILL.

BEGIN QUOTE. IT IS TIME THAT INDUSTRY UNDERSTANDS THAT  
STRATEGIC STOCKPILES ARE, BEGIN UN)ERLINE NOT END UNDERLINE  
ECONOMIC STOCKPILES AND THAT I--FOR ONE--WILL NOT AGREE TO  
MANIPULATE THEM FOR THAT PURPOSE. IT WOULD BE PREFERABLE  
TO HAVE NO STOCKPILE LEGISLATION, THAN TO ALLOW SPECIAL  
INTEREST ECONOMICALLY MANIPULATIVE MANAGEMENT OF STRATEGIC  
STOCKPILE ISSUES.

I HAVE WORKED FOR MONTHS TO DEVELOP LEGISLATION THAT  
ORIENTS THE STOCKPILE TOWARD NATIONAL SECURITY, THAT  
MODERNIZES AND REFORMS THE STOCKPILE, AND PREVENTS IT FROM  
SERVING AS A HONEYCOMB AROUND WHICH THE SPECIAL COMMODITY  
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PAGE 03 STATE 196815

INTEREST BEES CAN SWARM.

THAT BILL NOW EXISTS IN THE FORM OF H.R.4895 AS REPORTED  
BY THE SENATE ARMED SERVICES COMMITTEE. WE MUST HAVE A  
SOLID FOUNDATION IN STOCKPILE POLICY AND MANAGEMENT BEFORE  
WE CONSIDER ANY BUYING AND SELLING OF INDIVIDUAL  
COMMODITIES. THE POLICY BILL, H.R.4895, HAS BEEN BEFORE  
THE SENATE FOR NEARLY TWO MONTHS AND I HAVE BEEN WORKING TO  
GET AGREEMENT TO BRING THE MEASURE TO THE FLOOR. BUT THAT  
EFFORT HAS BEEN FRUSTRATED BY THE SPECIAL COMMODITY  
INTEREST WHO INSIST ON TRYING TO ADD SPECIFIC COMMODITY  
AMENDMENTS TO THE POLICY BILL.

WE ALSO HAVE A COMMODITY BILL, S.2635, AND THAT BILL WAS  
DEVELOPED USING THE POLICY ESTABLISHED IN H.R.4895. ANY  
SENATOR MAY ATTEMPT TO AMEND S.2635, THE COMMODITY BILL,  
WITH COMMODITY AMENDMENTS, BUT I WILL FIGHT ANY AMENDMENT  
THAT VIOLATES THE PRIORITY SYSTEM OR HAS THE POTENTIAL TO  
MANIPULATE THE MARKET.

I WILL, BEGIN UNDERLINE NOT END UNDERLINE, HOWEVER, AGREE  
TO TAKE UP THE COMMODITY BILL UNTIL WE HAVE RESOLVED THE

BASIC POLICY ISSUES IN H.R. 4895, AND I WILL BEGIN UNDERLINE  
NOT END UNDERLINE AGREE TO CONSIDER COMMODITY AMENDMENTS  
ON THE POLICY BILL.

I SHOULD EMPHASIZE THAT MY POSITION IS SUPPORTED BY  
REPRESENTATIVE BENNETT IN THE HOUSE, WHO HAS STEADFASTLY  
REFUSED TO CONSIDER COMMODITY LEGISLATION UNTIL THE POLICY  
ISSUES ARE DECIDED. I HAVE A RECENT LETTER OF JULY 27  
FROM HIM WHICH CONFIRMS THIS POINT.

I AM MOST DISTURBED ABOUT THE LOBBYING BY INDUSTRY,  
PARTICULARLY THE AMERICAN MINING CONGRESS, ON THESE BILLS.  
VARIOUS INDUSTRIES HAVE BEEN SO GREEDY TO GET THEIR  
SPECIAL COMMODITY BOUGHT OR SOLD THAT SENATORS HAVE BEEN  
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PAGE 04 STATE 196815

BOMBARDED WITH SPECIAL REQUESTS.

IT'S TIME THAT INDUSTRY UNDERSTANDS THAT STRATEGIC STOCK-  
PILES ARE NOT ECONOMIC STOCKPILES AND THAT I--FOR ONE--  
WILL NOT AGREE TO MANIPULATE THEM FOR THAT PURPOSE.

THE AMERICAN MINING CONGRESS, WHICH I INVITED TO TESTIFY  
AT HEARINGS AND WHICH I CONSULTED IN DRAFTING THE  
LEGISLATION, IS PUSHING A COPPER-TIN AND OTHER COMMODITY  
AMENDMENTS ON THE POLICY BILL--AMENDMENTS WHICH IT COULD  
NOT JUSTIFY SUCCESSFULLY BEFORE DETAILED COMMITTEE  
SCRUTINY. THE AMERICAN MINING CONGRESS NOW SEEKS TO MAKE  
THESE TRANSACTIONS ELECTION YEAR PORK-BARREL HANDOUTS.

I WOULD PREFER THAT THERE BE NO STOCKPILE LEGISLATION IF  
IT CAN'T BE DONE PROPERLY. END QUOTE. END UNCLASSIFIED.

3. COMMENT: BEGIN LIMITED OFFICIAL USE. SENATOR HART  
HAS INDICATED TO US THAT HE DOES NOT NOW EXPECT THE SENATE  
TO CONSIDER ANY STOCKPILE LEGISLATION DURING THE REMAINDER  
OF THIS SESSION. HE ADDED THAT HE, THEREFORE, DOES NOT  
SEE ANY LEGISLATIVE BASIS FOR A CONFERENCE WHICH WOULD  
PERMIT THE PASSAGE OF THE ADMINISTRATION'S TIN  
CONTRIBUTION BILL. END LIMITED OFFICIAL USE. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STOCKPILES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1542237  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STOCKPILE LEGISLATION  
**TAGS:** ECON  
**To:** ALL POSTS  
**Type:** TE  
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